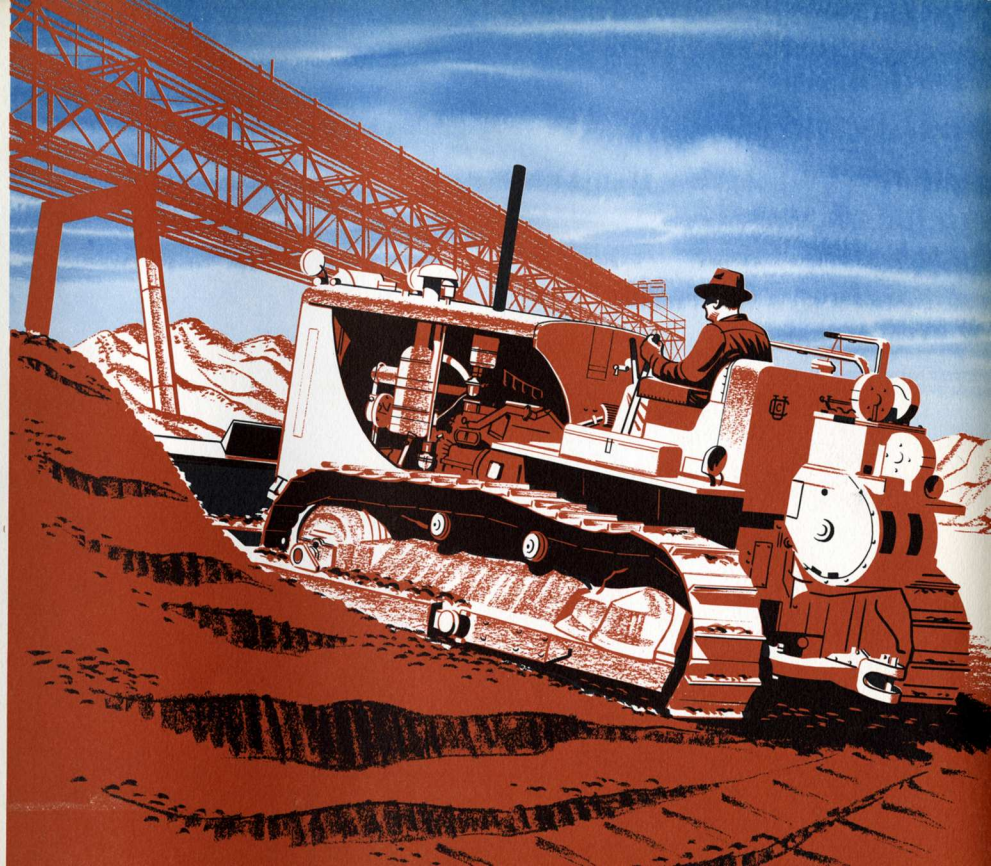
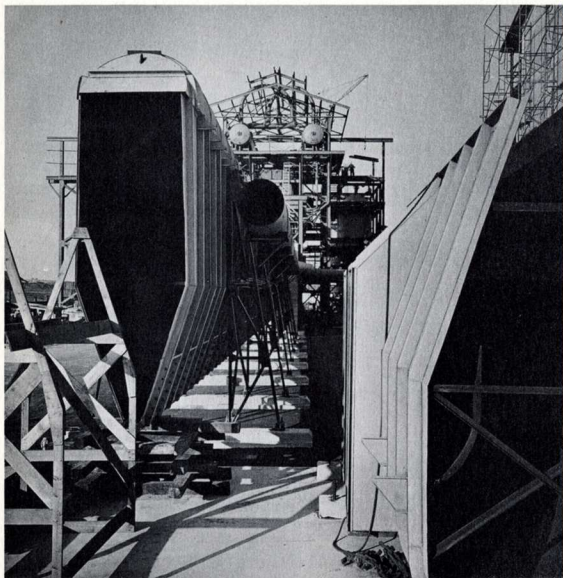




**UTAH CONSTRUCTION COMPANY**  
*Annual Report 1952*







Furnace Building and Flue Line Construction at the zinc fuming plant for American Smelting and Refining Company at Selby, California.

Cover depicts iron ore stockpile at the Company's mine at Iron Springs, Utah, showing overhead conveyor system and dozer moving ore to underground conveyor for loading.

*To the stockholders of the*

# UTAH CONSTRUCTION COMPANY

December 20, 1952

For the fiscal year ending October 31, 1952, Utah Construction Company and its consolidated subsidiaries earned a net profit of \$1,915,818, equivalent to \$10.92 a share. This represents a decline of \$1,031,243 from the preceding year during which the company reported consolidated net profits of \$2,947,061 or \$16.79.

The decline in profits resulted from lower gross profits from our construction activities. Profits from mining were little changed from the levels of the preceding year. Gross revenues from construction activities were well maintained during the year but earnings were substantially reduced by heavy losses incurred in the fulfillment of a construction contract, which was finally completed during November 1952.

During the fiscal year ending October 31, 1952, your company paid cash dividends of \$2.50 a share plus 1/20 share of Permanente Cement stock for each share of Utah Construction Company held. This represented an increase of 86c a share in the cash portion of the dividend over the amount paid in the preceding year.

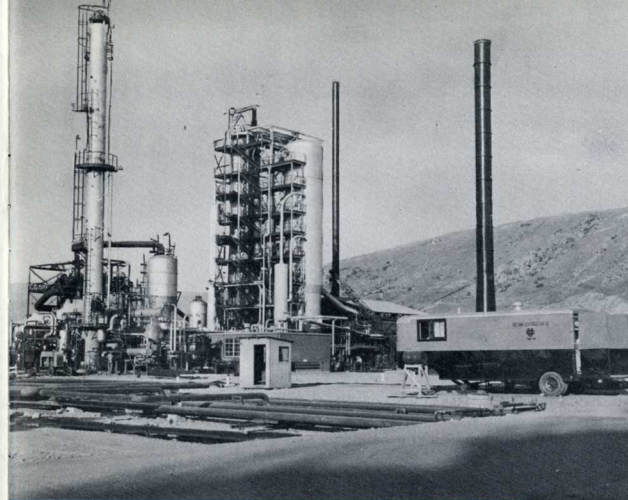
The financial condition of your company continued to improve during the year, strengthened by retained earnings and revised credit arrangements. As of October 31, 1952 our Long-Term Liabilities were \$3,668,014, a decrease of \$1,158,649 during the year. Working capital at the close of the year was \$6,809,565 compared to \$5,995,584 a year earlier, an improvement of \$813,981. During the year the company's Consolidated Net Worth grew from \$14,848,570 at the end of last year to \$16,288,457 at the close of this year, a gain of \$1,439,887. The book value per share increased from \$84.60 to \$92.81.

In June 1952 the company replaced four separate bank loan agreements with a single loan agreement. The new term loan agreement makes available to the company a line of credit of \$6,000,000. Of this amount \$3,000,000 is in the form of a five-year serial loan, which is repayable in yearly installments of \$300,000 at the end of each of the first four years with the balance of \$1,800,000 maturing at the end of the fifth year on June 16, 1957. The remaining \$3,000,000 is available as a revolving credit until June 16, 1957. As of October 31, 1952 the company had actually borrowed the \$3,000,000 term-loan portion and an additional \$500,000 under the revolving credit, a total of \$3,500,000, leaving \$2,500,000 of credit available but not in use. Under the Term Loan Agreement the company covenants that it will maintain certain financial ratios and that it will not reduce its net worth below \$10,000,000 by the payment of dividends.

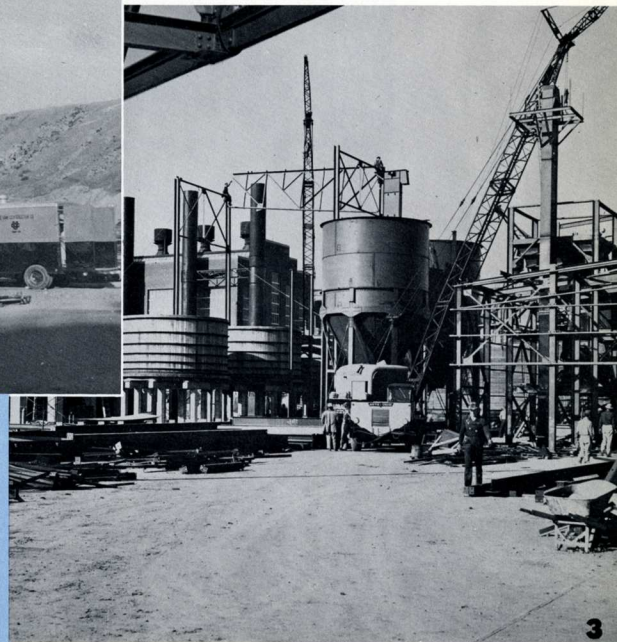
During the year your company continued to engage in diversified engineering and construction activities. The company was interested in the construction of tunnels, industrial plants, dams, earth moving, mining, housing, shafts, commercial housing, military and atomic installations. Outside of the United States we also performed engineering and construction work, including building of highways, irrigation projects, and industrial installations.

During the year 1952 your company continued its policy of favoring private work and government fee work over government bid work. During 1952 only 2% of our gross revenues were derived from fixed price work for government agencies and virtually all of this work was initiated in prior years. With the expectation of greater stability of the dollar and the decline in private construction, government bid work may again become more attractive to us.

During the past decade there has been a demand for all types of construction of unprecedented proportions. There is every indication that this high rate of activity for private construction has passed its peak and has begun to decline. Your company's experience conforms to this pattern. At the end of each of the last several years the company had on hand a backlog of uncompleted work greater than that which it had at the end of the preceding year. However, the situation reversed itself during the current year and the company's backlog of uncompleted work declined substantially. Unless we are un-



Part of Standard Oil Company's North Salt Lake City Refinery. Utah Construction Company is doing on-the-site reconditioning and maintenance work during regular shut-down period. Equipment must be kept in A-1 condition to refine products of Standard quality.



Utah Construction Company is building a zinc fuming plant for American Smelting and Refining Company at Corpus Christi, Texas. This plant is similar to the plants at Selby, California and Chihuahua, Mexico, where A. S. & R. also retained our company as contractors.





The Little Grand Canyon of the Kennecott is the largest man-made hole on Earth. Famous copper pit of the Kennecott Copper Company is located near Bingham, Utah. The interesting contour plowing is the result of open pit mining. For many years Utah Construction has been retained to perform a variety of services in the development of this mine. As this amazing open pit mine deep-

ened, removal of the copper ore became an increasing problem. The solution has been haulage tunnels which Utah Construction Company has been building as an efficient means of removing ore from the bottom of the pit. In the foreground is one of our new rotary drills, part of the equipment we employed for accelerated removal of the overburden in the upper levels of the pit.

sually successful in our efforts to obtain new work, we cannot sustain the rate of construction activity and the earnings experienced during the last two years.

In its 52 years of existence Utah Construction Company has grown from an original capital of \$25,000 to its present net worth of \$16,288,457. This was made possible by the combined efforts of those loyal employees who have devoted all or a major part of their working lives to the furtherance of the company's interest. To assist the permanent employees to meet the problem of ultimate retirement, the Board of Directors adopted a Retirement Plan Based on Profit Sharing. Under the terms of the Plan an amount equal to not less than 6% of net worth from each year's earnings is first set aside for stockholders, and then the company contributes a portion of any remaining earnings to a Trust for the benefit of member employees. During the past year the company's contribution to the Plan was at the maximum rate which is limited by the Government to 15% of the compensation paid to the members of the Plan, and the effect was to reduce net profits by 56¢ a share. Your Board of Directors (only one member of whom derives any personal benefit from the Plan) studied the matter very carefully and determined that the



The two-bedroom duplex housing unit above was built by Utah Construction Company in partnership with Henry C. Beck Company at Mather Field, California. Consisting of 750 units this project was completed in 1952 and provides comfortable and attractive quarters at low rent for Airmen and their families.

At the right two views of work being done by Utah Co. of the Americas on the Colombian National Highway, Colombia, S. A. Financed by funds from the International Bank for Reconstruction and Development, work has been in progress the past year and is expected to continue for approximately two more years.





Retirement Plan was in the best interest of the shareholders. It not only provides for a retirement program at reasonable cost, but it provides a strong incentive for improved performance by existing employees as well as a strong attraction to obtain and to retain superior management personnel.

The performance of the past year would not have been attainable without the continued expression of confidence of those firms which have placed their business with us. We are grateful for their support, and we shall continue always our efforts to give full measure in return.

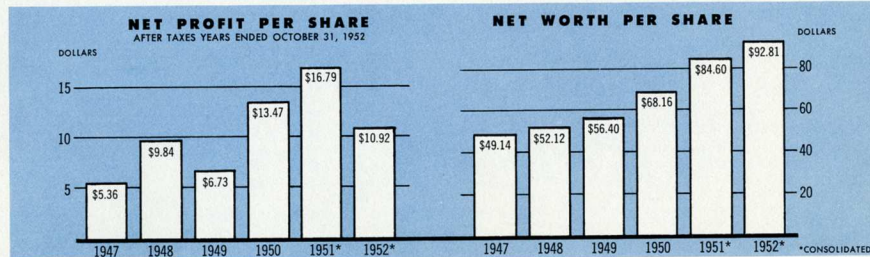
Respectfully submitted,

*Marriner S. Eccles*

MARRINER S. ECCLES  
Chairman of the Board

*L. S. Corey*

L. S. COREY  
President



What looks like a ski-lift on a bright winter day is actually a Utah Construction Company heavy crane emerging late this spring from under the crippling snows of last winter. The early, severe winter caused added costs. However, in spite of these difficulties work was completed this November on Dams 1 and 2 for the Pacific Gas & Electric Company on Lower Bear River east of Jackson, California.

## The Company's Business

Utah Construction Company continues to engage in two principal fields of activity: engineering and construction work of all types; and open-pit mining of coal and iron ore.

The construction work performed in the United States or its possessions may be performed by the parent company alone or in association with other contractors through joint venture agreements or through participation in the ownership of separate corporations formed to conduct construction work.

Our activities outside of the United States or its possessions are usually conducted through subsidiary companies. Our principal wholly owned subsidiaries are:

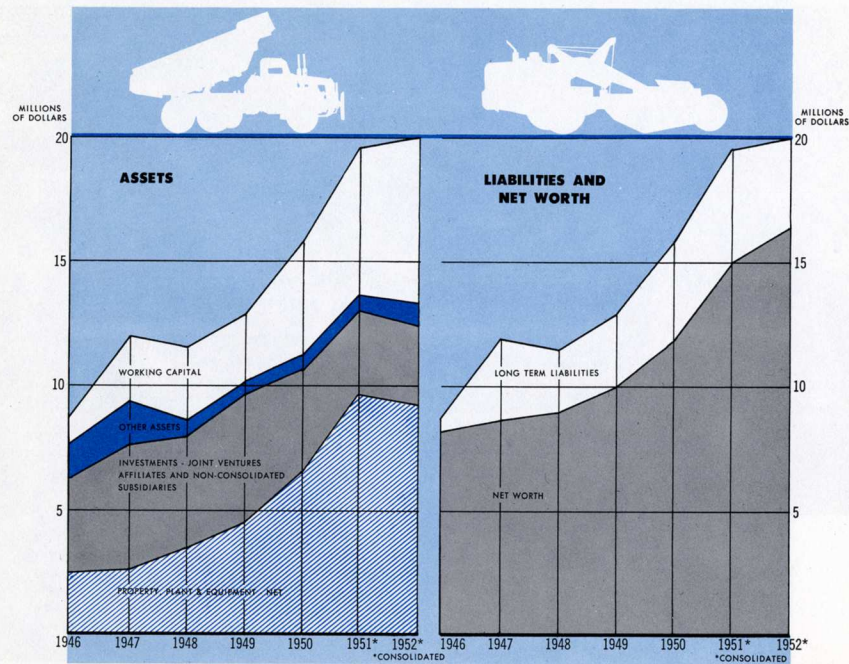
UTAH CO. OF THE AMERICAS, a Nevada corporation, engages in construction activities within the Western Hemisphere but outside of the United States. This company is currently interested in construction work in the Republic of Colombia where in association with local firms it is engaged in construction of an extensive highway project and a canal and irrigation project.

COMPANIA UTAH, S. A. is a company organized in Mexico and has been in existence since 1942. The company was originally formed to take care of construction contracts in Mexico, primarily the Southern Pacific de Mexico. During the last year this company was engaged in the construction of a zinc fuming plant in Chihuahua and in the drilling of wells in the vicinity of Hermosillo.

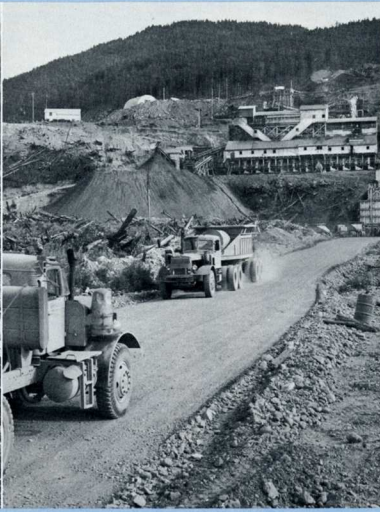
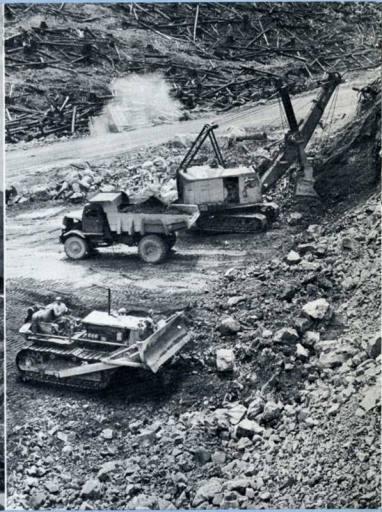
UTAH PERU INC. is a Nevada corporation which became active on November 1, 1952. This company was formed to carry out engineering and construction activities in the Republic of Peru. This company maintains offices in Lima and in New York and is currently performing engineering work under contract with the American Smelting and Refining Company.

MINERA MARCONA LTDA. is a Peruvian corporation which has been performing the exploratory work in Peru on the Marcona iron ore deposit which Utah Construction Company has under option.

THE ARGONAUT CO. LTD. is a company incorporated under the laws of British Columbia. It operates an iron mine and mill on Vancouver Island.



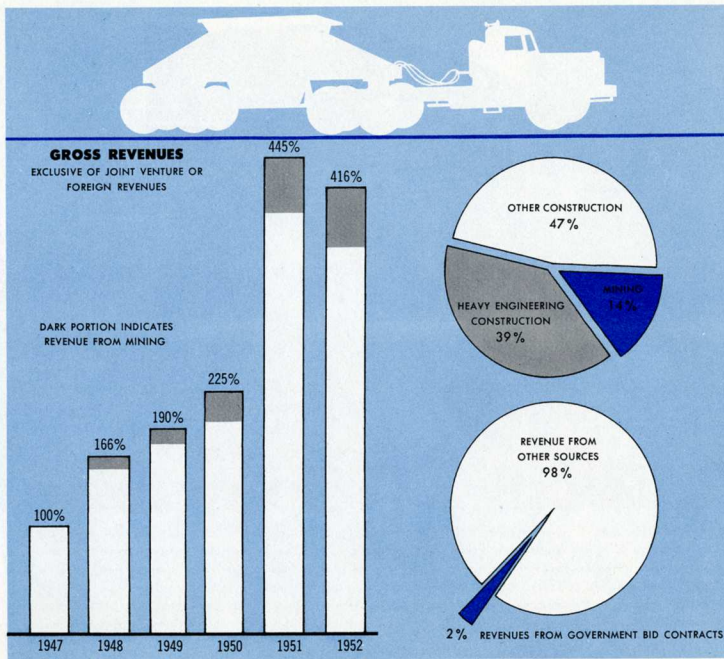




Exploitation of a magnetite iron ore deposit on Vancouver Island, British Columbia by the Argonaut Co. Ltd., a wholly owned subsidiary, presented many difficulties before any iron ore concentrates could be floated away. The deposit was in a heavily wooded area which had to be cleared of trees and stumps. Roads had to be built, pit levels pioneered and overburden removed. A magnetic separation mill was constructed to concentrate the mine run ore into a marketable product. A twenty-three mile road was constructed from the mill to a ship dock, which was built to berth ore carrying vessels. Since actual mining operations began in the fall of 1951 600,000 cubic yards of overburden have been stripped,

and over 800,000 long tons of ore have been mined. Over 500,000 long tons of concentrates have been processed by the mill, hauled to the ship dock, loaded onto vessels and shipped to Japan. The pictures above show from left to right: 1. Drilling holes in the limestone for blasting and removal of overburden. 2. Blasting ore from one of the many benches from which iron ore is removed. 3. Diesel powered shovel loading an ore dump truck while a tractor cleans up. 4. Truck dumping ore into crushing plant preparatory to concentration of crushed ore by the mill. 5. Ore concentrates being hauled from mill to loading dock, a distance of 23 miles. 6. Concentrate stockpile at dock for loading aboard ocean vessels.





MONTEREY TRADING OVERSEAS, S. A. is a company incorporated under the laws of the Republic of Panama. This company is engaged in the export-import business and handles export sales for Utah Construction Company and its subsidiaries. Monterey Trading Overseas, S. A. purchases and resells commodities, charters shipping, and also represents other companies as a selling agent.

The financial statements of The Argonaut Co. Ltd. and Monterey Trading Overseas, S. A. are consolidated with those of the parent company. The other subsidiary companies are not consolidated, and no dividends were received during 1952. These companies all recorded operating profits during the year. The operating profit of Compania Utah, S. A. will be largely offset by foreign exchange losses arising out of the devaluation of the peso in 1948.

The company's gross revenues, exclusive of any share of joint venture or foreign revenues, were well maintained during the past year, showing a decline of 6½%. The percentage of our gross revenues contributed by our mining activities increased from 12% to 14%.

During the past year the company has continued to pursue a policy of diversifying the types of work that it performs. We have maintained our interest in heavy engineering construction, which is the type of work the company has done with conspicuous success since its inception. However, during the past several years our efforts have been intensified to expand operations into other fields of construction with the result that during 1952 heavy engineering construction represented 39% of our domestic gross revenues while other types of construction increased to 47%.

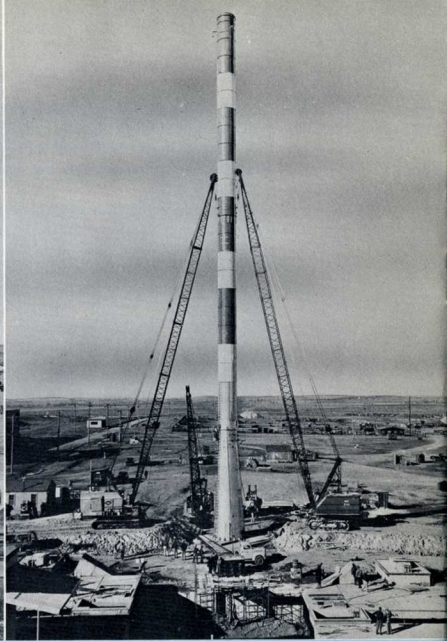
During the period of severe inflation which followed the end of World War II the spiral of rapidly rising costs made bidding of long-term fixed-price contracts from the Government unusually hazardous and unprofitable. For this reason your company endeavored to reduce its dependency upon work of this type while inflation was the prospect. During the past year revenues from fixed-price Government contracts accounted for only 2% of our gross revenue in contrast to 14% in 1951 and 22% in 1950. With the advent of price stability and with the indication of a lower volume of private work available, it may again become desirable to enter aggressively the field of competitive bidding on fixed-price work.

Over the past several years our company has acquired additional modern and specialized equipment. These tools of our trade in the hands of an organization skilled in their use place us in an excellent position to perform virtually all types of construction work advantageously.





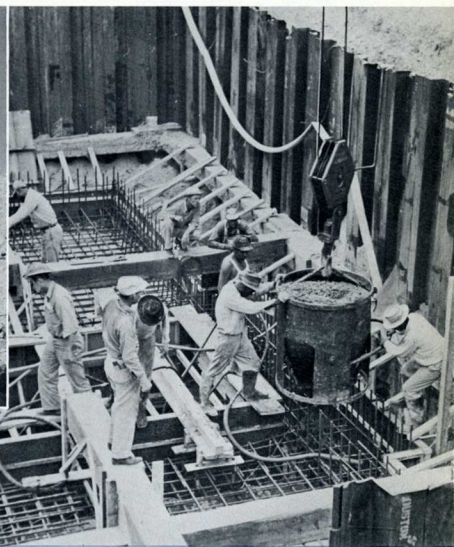
These two photographs show the erection of a stack at the Rocky Mountain Arsenal in Colorado. Careful planning, proper tools, and know-how make difficult jobs



appear easy. Here a huge stack is put in place quickly with the use of three heavy cranes. Effective teamwork between engineering and field forces assured success.



Two men in the foreground give some idea of the size of this huge 18 cubic yard Marion Shovel which has stripped the greater part of the overburden at the Ozark, Arkansas, coal mine. The mine produces metallurgical coal of high quality which is shipped to Colorado Fuel and Iron Corporation at Pueblo, Colorado.



Foundation work for a track hopper at the new Zinc Oxide Plant at Corpus Christi, Texas for American Smelting and Refining Company. Plant will be ready for full scale operation during the summer of 1953.



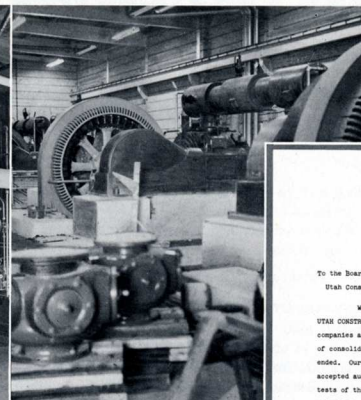


Tractors cutting the main canal on the Coello Irrigation Project in Colombia, South America. Utah Co. of the Americas is performing this tremendous job for the Colombian Government. This work is financed in part by funds of the Export-Import Bank.

This is a concrete drainage structure under the main canal in the Coello Irrigation Project. This project was the first work undertaken by Utah Co. of the Americas in Colombia. Continuing additions to original contract will result in a total exceeding \$10 million by completion in '53.



Installation of highly complex equipment for Fibreboard Products, Inc. at its Antioch, California Plant, as well as numerous plant changes and improvements have been performed by Utah Construction Company during the past three years. Illustrated is a portion of a process installation typical of this work.



Interior of the compressor building at Lark Surface Facilities at the east portal of Bingham haulage tunnel built for U. S. Smelting, Refining and Mining Company for the account of Kennecott Copper Company. This is one part of the complete mining and maintenance facilities necessitated by transfer of U. S. Smelting's entire operations to an outlet at Lark instead of within Kennecott's Bingham Canyon pit. We performed the job, driving the tunnel, erecting the buildings, and installing the equipment.

ARTHUR ANDERSEN & CO.  
ACCOUNTANTS AND AUDITORS

400 MONTGOMERY STREET  
SAN FRANCISCO 4

To the Board of Directors of  
Utah Construction Company:

We have examined the consolidated balance sheet of UTAH CONSTRUCTION COMPANY (a Utah corporation) and subsidiary companies as of October 31, 1952, and the related summaries of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and summaries of consolidated income and retained earnings present fairly the financial position of Utah Construction Company and subsidiary companies as of October 31, 1952, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Arthur Andersen & Co.*

San Francisco, California  
December 15, 1952



# UTAH CONSTRUCTION COMPANY AND SUBSIDIARY COMPANIES *Consolidated Balance Sheet - October 31, 1952*

## ASSETS

### CURRENT ASSETS:

Cash . . . . .		\$ 3,042,664	
Receivables—			
Construction accounts and retained percentages . . . . .	\$ 4,610,182		
Other . . . . .	971,597	5,581,779	
Unbilled costs on work in progress . . . . .		283,794	
Inventories—			
Construction materials and supplies . . . . .	\$ 1,650,145		
Iron ore and coal, at cost or net realizable value . . . . .	370,019	2,020,164	
Total current assets . . . . .			\$10,928,401

### INVESTMENTS AND OTHER ASSETS:

Interest in joint ventures . . . . .	\$ 876,440		
Capital stocks of non-subsidary companies . . . . .	1,173,723		
Capital stocks and receivables of foreign subsidiary companies, not consolidated . . . . .	1,074,612		
Prepaid expenses, deposits and miscellaneous . . . . .	601,167		
Land held for development and sale . . . . .	132,063	3,858,005	

### PROPERTY, PLANT AND EQUIPMENT: Classification

	Cost	Accumulated Depreciation and Amortization	Net	
Land . . . . .	\$ 33,800	\$ —	\$ 33,800	
Buildings, mining properties and development expenses . . . . .	4,921,838	2,172,792	2,749,046	
Equipment . . . . .	13,775,747	7,368,843	6,406,904	
Furniture and fixtures . . . . .	175,833	76,682	99,151	
	<u>\$18,907,218</u>	<u>\$ 9,618,317</u>	<u>\$ 9,288,901</u>	9,288,901
				<u>\$24,075,307</u>

## LIABILITIES

### CURRENT LIABILITIES:

Current installments of term bank loan, notes and contracts payable — due within one year . . . . .	\$ 471,580	
Accounts payable . . . . .	1,754,844	
Advances received on construction contracts . . . . .	400,000	
Accrued payrolls, general taxes and miscellaneous . . . . .	792,412	
Current portion of provision for Federal income taxes . . . . .	700,000	
Total current liabilities . . . . .		\$ 4,118,836

### LONG-TERM LIABILITIES:

4% term bank loan, due in annual installments of \$300,000 with balance payable June 16, 1957 . . . . .	\$ 3,200,000	
Non-current installments of notes and contracts payable for mining properties . . . . .	129,560	
Non-current portion of provision for Federal income taxes (partially applicable to recorded income from joint ventures not taxable until subsequent years) . . . . .	338,454	3,668,014

### STOCKHOLDERS' EQUITY:

Capital stock, par value \$10 per share— Authorized — 175,510 shares		
Issued and outstanding — 175,507.5 shares . . . . .	\$ 1,755,075	
Retained earnings (\$8,244,925 restricted under bank loan agreement) . . . . .	14,533,382	16,288,457
		<u>\$24,075,307</u>



UTAH CONSTRUCTION COMPANY AND SUBSIDIARY COMPANIES

SUMMARIES OF CONSOLIDATED INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED OCTOBER 31, 1952

Summary of Consolidated Income

INCOME:		
Gross profit from construction and mining operations . . . . .	\$	3,185,092
Gain on liquidation of investments arising from construction projects . . . . .		437,425
Dividends received . . . . .		128,028
Other income . . . . .		359,243
		<u>\$ 4,109,788</u>
EXPENSES:		
General and administrative expenses . . . . .	\$	1,364,779
Interest . . . . .		204,191
		<u>1,568,970</u>
Net income before provision for Federal income taxes . . . . .	\$	2,540,818
PROVISION FOR FEDERAL INCOME TAXES		
(no provision required for excess profits tax) . . . . .		625,000
		<u>625,000</u>
Net income for the year . . . . .	\$	<u>1,915,818</u>

Summary of Consolidated Retained Earnings

BALANCE, OCTOBER 31, 1951 . . . . .	\$13,093,495
ADD—Net income for the year . . . . .	1,915,818
	<u>\$15,009,313</u>
DEDUCT—Dividends on capital stock—	
Cash . . . . .	\$ 440,356
Securities at cost (market value \$165,224) . . . . .	35,575
	<u>475,931</u>
BALANCE, OCTOBER 31, 1952	
(\$8,244,925 restricted under bank loan agreement) . . . . .	<u>\$14,533,382</u>

NOTE: No provision has been made in the above summaries for income taxes which may be payable on future distributions from retained earnings of the consolidated foreign subsidiaries.

UTAH CONSTRUCTION COMPANY

BOARD OF DIRECTORS

MARRINER S. ECCLES, *Chairman*  
MARRINER A. BROWNING  
L. S. COREY  
ALLEN D. CHRISTENSEN  
L. T. DEE  
GEORGE S. ECCLES  
W. H. HARRIS  
SHEPARD MITCHELL  
P. L. WATTIS

OFFICERS

MARRINER S. ECCLES, *Chairman of the Board*  
L. S. COREY, *President*  
ALLEN D. CHRISTENSEN,  
*Executive Vice President and General Manager*  
E. W. LITTLEFIELD,  
*Vice President, Secretary and Treasurer*  
A. H. AYERS, *Vice President*  
C. S. DAVIS, *Vice President*  
GEORGE R. PUTNAM, *Vice President*

EXECUTIVE COMMITTEE

MARRINER S. ECCLES  
L. S. COREY  
ALLEN D. CHRISTENSEN  
E. W. LITTLEFIELD